

**WATER
FUND**

WATER FUND

MISSION STATEMENT: To develop, treat and distribute high quality water to meet the needs of Amherst residents and to do so through a user fee based revenue system.

WATER FUND SUMMARY

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
Operating Revenues	\$ 3,794,994	3,914,006	4,129,830	3,862,000	4,001,967	139,967	3.6%
Interest	\$ 80,739	60,000	53,326	60,000	56,000	(4,000)	-6.7%
State Grants	\$ 0	0	0	0	0	0	0.0%
SUBTOTAL REVENUES	\$ 3,875,733	3,974,006	4,183,156	3,922,000	4,057,967	135,967	3.5%
Borrowing							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 107,453	250,000	250,000	385,684	145,624	(240,060)	-62.2%
TOTAL RESOURCES	\$ 3,983,186	4,224,006	4,433,156	4,307,684	4,203,591	(104,093)	-2.4%
Operating Budget	\$ 2,316,391	2,473,336	2,472,918	2,564,680	2,743,259	178,579	7.0%
Gen. Fund Services	\$ 385,742	385,111	385,111	--	--		
Debt Service	\$ 724,991	920,559	920,559	811,988	703,716	(108,272)	-13.3%
Capital Program	\$ 425,000	445,000	445,000	536,600	345,000	(191,600)	-35.7%
TOTAL APPROPRIATION	\$ 3,852,124	4,224,006	4,223,588	3,913,268	3,791,975	(121,293)	-3.1%
Indirect Costs Appropriated in General Fund	\$			394,416	411,616	17,200	4.4%
TOTAL EXPENDITURES	\$ 3,852,124	4,224,006	4,223,588	4,307,684	4,203,591	(104,093)	-2.4%

WATER FUND**RESOURCES**

GOAL STATEMENT: To provide an adequate amount and proper balance of revenue sources to ensure that the Water Fund is completely self-supporting.

LONG RANGE OBJECTIVES:**FY 11 OBJECTIVES:**

Continue to adequately fund operating and capital needs while not increasing water rates.
Develop a more defined policy regarding an appropriate reserve level for Water Fund Surplus.

SERVICE LEVELS:

	FY 05 <u>Actual</u>	FY 06 <u>Actual</u>	FY 07 <u>Actual</u>	FY 08 <u>Actual</u>	FY 09 <u>Actual</u>
Funding Composition (%)					
Operating Revenues	87	82	79	96	93
Interest	2	3	3	2	1
Surplus Funds	3	7	11	3	6
Grants	8	8	7	0	0
Other Available Funds	0	0	0	0	0

WATER FUND**RESOURCES**

	FY 08	FY 09	FY 09	FY 10	FY 11	Change	Percent
	Actual	Budget	Actual	Budget	Manager	FY 10 - 11	Change
Water Rates	\$ 3,617,223	3,814,006	3,917,358	3,762,000	3,861,000	99,000	2.6%
Water Liens	62,587	40,000	97,574	40,000	40,000	0	0.0%
Water Connection Fees	54,200	40,000	41,100	40,000	40,000	0	0.0%
Other Water Revenues	60,984	20,000	73,798	20,000	60,967	40,967	204.8%
Interest	80,739	60,000	53,326	60,000	56,000	(4,000)	-6.7%
State Grants	0	0		0		0	0.0%
	<u>3,875,733</u>	<u>3,974,006</u>	<u>4,183,156</u>	<u>3,922,000</u>	<u>4,057,967</u>	<u>961,523</u>	<u>32.5%</u>

SIGNIFICANT BUDGET CHANGES:

The current water rate is \$3.30 per 100 CF. The Town Manager is recommending to the Select Board that NO WATER RATE INCREASE will be necessary effective July 1, 2010. \$145,624 from Water Fund Surplus will be appropriated to support this budget. The July 1, 2009 Water Fund Free Cash is \$1,578,304. The Town's water/sewer rates remain below state and regional averages.

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

GOAL STATEMENT: To supply adequate volumes of high quality water to the citizens of Amherst and to maintain compliance with all Environmental Protection Agency Drinking Water Regulations.

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:

- A new flowmeter was installed at Well #2.
- A new card entry security system was installed at the DPW office, Atkins Water Treatment Plant, Well #3, Centennial Water Treatment Plant and the Chemical Feed building.
- A new GIS flyover was done in April and changes were made to the water distribution mapping system. A users' group meets semi-annually to evaluate the water mapping system and make improvements. These maps are now an invaluable tool for the water department.

LONG RANGE OBJECTIVES:

To investigate new sources of drinking water.
 To repair/replace old water mains, valves and hydrants.
 To replace water meters to achieve a 20 year maximum age.
 To calibrate all master meters on an annual schedule.
 To do leak detection surveys every 2 years to minimize water loss in the pipes.

FY 11 OBJECTIVES:

To improve our GIS mapping of the water system.
 To encourage water reuse at the University of Massachusetts for irrigation and process water.
 To improve our hydraulic model of the distribution system.
 To improve security at water supply sources.
 To complete our computer based water monitoring, control and emergency notification system.
 To change the treatment media and rebuild the pressure filters at the Baby Carriage Brook Water Treatment Plant.

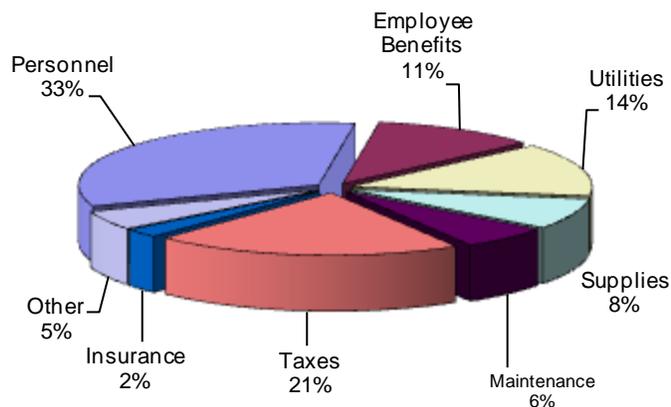
SERVICE LEVELS:

	FY 05	FY 06	FY 07	FY 08	FY 09
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
New water services installed	38	31	28	15	20
Water service relays	8	17	20	0	10
Water services	6,338	6,369	6,428	6,225	6,245
Water metered & produced (billion gals)	1.31	1.27	1.2	1.17	1.163
Positive coliform bacteria samples	0	0	0	1	2
Meters installed	298	294	238	265	330
Hydrants in service	1,068	1,104	1,100	1,104	1,104
Frozen water services	6	0	1	0	0
Hydrants repaired	12	9	28	41	96
Water mains flushed (miles)	113	113	113	113	113
Water main breaks repaired	8	4	14	20	10

WATER FUND

4450: WATER SUPPLY AND DISTRIBUTION

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
Personnel Services	\$ 995,965	1,141,614	1,012,413	1,158,009	1,216,821	58,812	5.1%
Operating Expenses	\$ 1,317,139	1,327,322	1,456,195	1,402,271	1,522,038	119,767	8.5%
Capital Outlay	\$ 3,287	4,400	4,311	4,400	4,400	0	0.0%
TOTAL APPROPRIATION	\$ 2,316,391	2,473,336	2,472,918	2,564,680	2,743,259	178,579	7.0%
SOURCES OF FUNDS							
Water Revenues	\$ 2,316,391	2,473,336	2,472,918	2,564,680	2,743,259	178,579	7.0%
POSITIONS							
Full Time	14.83	15.08	15.08	15.08	15.08	0.00	
Part Time with Benefits	0.00	0.00	0.00	0.00	1.00	1.00	
Full Time Equivalents	14.83	15.08	15.08	15.08	15.21	0.13	



MAJOR COMPONENTS:

Personnel Services include salaries for the Water Resources Director (shared with the Sewer Fund), one division director, one division supervisor, four water treatment operators, one skilled laborer, two maintenance workers, one meter reader, a mechanic and a quarter of a watershed land manager. The Town Engineer, the Asst. Town Engineer, and an engineer tech are shared with the General Fund and Sewer Fund. A utility technician and a GIS Administrator and two electricians are shared with the Sewer Fund. A part time program coordinator is shared with the Solid Waste Fund. Also included is \$77,000 for overtime and \$305,979 for health, retirement, life insurance and other benefits.

Utilities include \$306,254 for electricity and \$71,187 for fuel.

Maintenance, \$165,300, includes funds to repair dams, ridges, service lines and meters.

Supplies, \$219,081, includes funds for gasoline, office supplies and chemicals.

Taxes, \$570,721, are paid to Amherst, Pelham, and Shutesbury for watershed property.

Insurance, \$64,000, provides building, vehicle and liability coverage.

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SIGNIFICANT BUDGET CHANGES:

Personnel services increases include increases to unionized employee steps/pay adjustments and the Water Fund's share of health insurance costs and retirement assessments. Operating budget increases reflect higher fuel and electricity costs.

WATER FUND**GENERAL FUND SERVICES**

GOAL STATEMENT: To compensate the General Fund for services provided by various departments.

LONG RANGE OBJECTIVES:**FY 11 OBJECTIVES:**

To ensure that all costs related to water services are identified and appropriately charged through evaluation and modification of the indirect cost model used to assess charges for General Fund administrative support.

SERVICE LEVELS:

	FY 05 <u>Actual</u>	FY 06 <u>Actual</u>	FY 07 <u>Actual</u>	FY 08 <u>Actual</u>	FY 09 <u>Actual</u>
Number of departments reimbursed	9	9	9	9	9

WATER FUND**GENERAL FUND SERVICES**

		FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
General Fund Services	\$	385,742	385,111	385,111	394,416	411,616	17,200	4.4%
Transfer to Trust Funds	\$	0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$	385,742	385,111	385,111	394,416	411,616	17,200	4.4%
SOURCES OF FUNDS								
Water Revenues	\$	385,742	385,111	385,111	394,416	411,616	17,200	4.4%

MAJOR COMPONENTS:

General Fund Services: The General Fund provides services which are used by the Water Fund. Transfers are made from the Water Fund to the General Fund to compensate for the costs of these services. Charges for FY 11 are as follows:

Select Board / Town Manager	6% of budget	\$17,817
Finance Department	9% of budget	105,802
Human Resources/Human Rights	5% of budget	10,705
Information Technology	6% of budget	44,295
Public Works Administration	28% of budget	106,525
Construction & Maintenance	5% of budget	42,162
Equipment Maintenance	15% of budget	50,133
Conservation	5% of budget	16,865
Town Hall Debt	6% of budget	15,312
Health		<u>2,000</u>
TOTAL		<u>\$411,616</u>

SIGNIFICANT BUDGET CHANGES:

None.

WATER FUND**DEBT SERVICE**

GOAL STATEMENT: To provide funds for principal and interest payments for short and long term debt.

LONG RANGE OBJECTIVES:

To minimize rate impacts by timing issuance of any significant new debt service after retirement of Atkins Treatment Plant debt in FY 12.

FY 11 OBJECTIVES:

To make payments on debt incurred to build the Atkins Treatment Plant.

SERVICE LEVELS:

	FY 05 <u>Actual</u>	FY 06 <u>Actual</u>	FY 07 <u>Actual</u>	FY 08 <u>Actual</u>	FY 09 <u>Actual</u>
Number of issues outstanding	2	2	2	2	2
Number of new issues	0	0	0	0	0

WATER FUND

DEBT SERVICE

		FY 08 Budget	FY 09 Manager	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
Principal	\$	567,008	743,376	743,376	714,000	673,550	(40,450)	-5.7%
Interest	\$	157,983	177,183	177,183	97,988	30,166	(67,822)	-69.2%
TOTAL APPROPRIATION	\$	724,991	920,559	920,559	811,988	703,716	(108,272)	-13.3%
SOURCES OF FUNDS								
Water Revenues	\$	724,991	920,559	920,559	811,988	703,716	(108,272)	-13.3%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Atkins Treatment Plant	\$673,550	\$30,166	\$703,716

SIGNIFICANT BUDGET CHANGES:

In December 2009, the Town refunded (refinanced) bonds originally issued in 1999 for construction of the Atkins Treatment Plant. This refunding results in a savings of \$10,877 in FY 11 due to lower interest rate on bonds. The Town will also realize interest savings in FY 12, the last year of debt service on these bonds.

WATER FUND**CAPITAL PROGRAM SUMMARY**

GOAL STATEMENT: To provide for the maintenance, improvement and enlargement of the Town's water system.

LONG RANGE OBJECTIVES:

To sample our surface water supplies for compliance with two new Environmental Protection Agency regulations; "Long Term 2 Enhanced Surface Water Treatment Rule" and the "Stage 2 Disinfection Byproducts Rule" (reduction in the formation of harmful chemicals formed by the chlorination process). Compliance with these regulations might result in significant capital improvements to the Atkins and Centennial water treatment plants.

FY 11 OBJECTIVES:

To complete the following:
 Billing Software Upgrade
 Water System Improvements
 GPS Aerial Photography
 DPW Facility Improvements
 Water System Leak Study.

SERVICE LEVELS:

	FY 05 <u>Actual</u>	FY 06 <u>Actual</u>	FY 07 <u>Actual</u>	FY 08 <u>Actual</u>	FY 09 <u>Actual</u>
Number of Projects:					
Departmental Equipment	2	2	1	2	1
Existing Facilities	6	4	3	3	4
New Facilities	0	0	0	0	0

WATER FUND

CAPITAL PROGRAM SUMMARY

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Manager	Change FY 10 - 11	Percent Change
Departmental Equip.	\$ 50,000	50,000	50,000	0	0	0	0.0%
Existing Facilities	\$ 375,000	395,000	395,000	366,600	345,000	(21,600)	-5.9%
New Facilities	\$ 0	0	0	170,000	0	(170,000)	-100.0%
TOTAL APPROPRIATION	\$ 425,000	445,000	445,000	536,600	345,000	(191,600)	-35.7%
SOURCES OF FUNDS							
Water Revenues	\$ 317,547	445,000	445,000	366,600	199,376	(167,224)	-45.6%
State Grants	\$ 0	0	0	0	0	0	0.0%
Borrowing Auth.	\$ 0	0	0	0	0	0	0.0%
Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 107,453	0	0	170,000	145,624	(24,376)	-14.3%

MAJOR COMPONENTS:	Facilities:	340,000	Baby Carriage Brook Improvements
		5,000	DPW Facility Improvements